

PACHULSKI STANG ZIEHL & JONES LLP

James I. Stang (admitted *pro hac vice*)

Karen B. Dine

Kenneth H. Brown

Gail S. Greenwood

780 Third Avenue, 34th Floor

New York, NY 10017

Tel: (212) 561-7700; Fax: (212) 561-7777

Email: jstang@pszjlaw.com

kdine@pszjlaw.com

kbrown@pszjlaw.com

ggreenwood@pszjlaw.com

*Counsel for the Official Committee
of Unsecured Creditors*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

THE ROMAN CATHOLIC DIOCESE OF
ROCKVILLE CENTRE, NEW YORK,
Debtor.

Chapter 11

Case No. 20-12345 (MG)

**DECLARATION OF RICHARD TOLLNER IN SUPPORT OF THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS' MOTION FOR ENTRY OF AN ORDER
APPROVING A SETTLEMENT AGREEMENT AND RELEASE BETWEEN THE
SEMINARY, THE COMMITTEE, AND THE DIOCESE**

I, Richard Tollner, declare under penalty of perjury as follows:

1. I am the chairperson of the Official Committee of Unsecured Creditors (the “Committee”) of the Catholic Diocese of Rockville Centre, New York (the “Diocese” or the “Debtor”). I submit this declaration in support of the Committee’s *Motion Pursuant to Rule 9019(a) of the Federal Rules of Bankruptcy Procedure for Entry of an Order Approving a Settlement Agreement and Release Between the Seminary of the Immaculate Conception of the*

Diocese of Rockville Centre, the Official Committee of Unsecured Creditors, and the Debtor
("Motion").¹ I have personal knowledge of the facts set forth herein unless otherwise stated.

2. The proposed Settlement Agreement, attached to the Motion as Exhibit A, is a settlement and compromise of the estate's fraudulent transfer and unjust enrichment claims against Seminary of the Immaculate Conception of the Diocese of Rockville Centre (the "Seminary") arising from a pre-petition transfer by the Diocese to the Seminary of real estate in Long Island, including a historic seminary and related buildings, furniture, and artwork (collectively, the "Seminary Transfer").

3. Based on my review of pleadings and communications with counsel and other members of the Committee, I am familiar with the allegations relating to the Seminary Transfer, including the events leading to the Seminary Transfer, the Adversary Claims that have been alleged (but not filed) by the Committee against the Seminary, the nature of the Seminary Property, and the risks of litigation.

4. I have reviewed the Settlement Agreement and believe it is in the best interests of Survivors because the settlement provides a cash payment of at least \$16 million to an Abuse Claims Trust in this Bankruptcy Case or, to the extent there is no Abuse Claims Trust, to the Diocese, while eliminating the risks and expense of litigation and trial. I believe that prosecution of the Adversary Claims will involve substantial legal expense and time and, without more, will not monetize the Seminary Property for the benefit of Survivors or the estate. The Settlement Agreement achieves the dual objectives of eliminating the expense and risk of litigation and securing a reasonable recovery for the Seminary Transfer for the benefit of the estate and Survivors.

¹ Capitalized terms not otherwise defined have the meanings ascribed to such terms in the Motion.

5. Giving full consideration to the costs and risks of litigation and the benefits of the settlement, I believe that the Settlement Agreement satisfies the paramount interests of the estate and Survivors and should be approved by this Court.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: New York, New York
October 6, 2023

/s/ Richard Tollner
RICHARD TOLLNER
Chairperson for the Official Committee of
Unsecured Creditors of The Roman Catholic
Diocese of Rockville Centre, New York